



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

June 5, 2009

David Means, Owner & CEO
Means Engineering, Inc.
6155 Corte Del Cedro
Carlsbad, CA 92009

Dear Mr. Means:

RE: FINAL MONITORING VISIT REPORT FOR MEANS ENGINEERING RETRAINING SB ET07-0374

Date of the Visit:	4/22/09
Beginning/Ending Time:	1:00 pm – 3:30 pm
Date of Last Visit:	2/19/08
Visit Location:	San Diego
Persons in attendance:	David Means, Owner & CEO, Means Engineering, Inc. (MEI); Jane Glassett, Controller, MEI; and Suzanne Godin, ETP Contract Specialist
Action Items remaining from Prior Meeting:	No
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	4/30/07 – 4/29/09	Agreement Amount:	\$49,842
Training Start Date:	5/31/07	No. to Retain:	71
Date Training must be Completed:	1/29/09	Range of Hours:	8-60
Type of Trainee:	Retrainee	Weighted Ave. Hours:	27

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ETP (04/15/05)

FINAL REPORT SUMMARY:

AGREEMENT HISTORY

Means Engineering, Inc. (MEI) is a small contract manufacturer with an integrated facility for the design, engineering, prototyping, manufacturing, and testing of products for the electronic, industrial, medical, and consumer markets.

The agreement was approved as a Small Business Project at the April 2007 Panel Meeting and was executed on 6/01/07. Training began on 5/31/07. ETP approved two revisions during the term of the Agreement: an amendment to extend the Agreement term by 12 months; and a modification to add Work Share language to the retention period requirements. Ms. Glassett reported that all training was completed on 1/20/09 which allowed for the retention period to be completed within the term ending date of the Agreement.

INTERVIEW WITH THE CONTRACT REPRESENTATIVE: JANE GLASSETT

You stated that balancing the needs of production and training was more difficult than you had anticipated. As a result of the country's economic downturn, MEI's orders for goods decreased; the company was forced to layoff approximately 45% of its workforce; and entered into an authorized Work Share Agreement. With a much smaller workforce working fewer hours, supervisors were reluctant to release the remaining employees for training. As a result, the number of class/lab training hours delivered on this project was far less than planned.

In spite of these challenges, you stated that the ETP training had been a positive experience and that without the assistance of ETP, MEI would not have been able to provide the amount of formal, structured training that it did. In spite of the economic challenges faced during the term of this Agreement, frontline workers were introduced to lean manufacturing principles, quality concepts, ISO procedures and electrostatic discharge (ESD) principles. Administrative support staff also received computer skills training in the latest release of MEI's MRP software (Epicor). Completion of the first SBP has laid the foundation from which the company can now create a new culture of continuous improvement.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	68	Completed Training:	29
Trainees Enrolled:	86	Completed Retention:	29
Dropped Following Enrollment:	29	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	29		

The statistical data submitted by MEI project staff during this visit, as detailed above, was in agreement with ETP's Trainee Status Report as of the date of this report.

DISCUSSION OF PROJECTED EARNINGS:

You stated that the statistics on the class/lab tracking system were correct which showed that 29 trainees (41% of planned retentions) completed the specified range of class/lab hours (8-60) and retention period. MEI tracked 525 eligible hours on the ETP class/lab tracking system for

the aforementioned 29 trainees. Therefore, MEI is eligible to earn \$13,650 (27 percent of the encumbered amount) if all other agreement conditions are met. Ms. Godin advised you that the closeout invoice should be submitted no later than 30 days after the end term of date of the Agreement which would be 5/29/09. If you are unable to submit the closeout invoice by that date, a request for an extension must be submitted to ETP's Fiscal Unit Manager, Kulbir Mayall. As of the date of this report, MEI had received \$10,225.25 in earned progress payments.

ATTENDANCE ROSTERS:

Ms. Godin conducted a 100% review of attendance rosters for 5 randomly selected trainees and compared them to the hours entered into the ETP on-line tracking system.

Attendance Rosters reviewed:	2/22/08-1/20/09	Rosters reviewed contained all the required information per Title 22, California Code of Regulations, Section 4442.	YES
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INVOICES:

No Invoices had been submitted previous to the date of this monitoring visit. Ms. Godin reviewed invoicing procedures (with Ms. Glassett) for submission of Progress Payments 1 & 2; and the final payment reimbursement.

AUDIT:

You will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable.

Listed below are types of records typically requested during an ETP field audit:

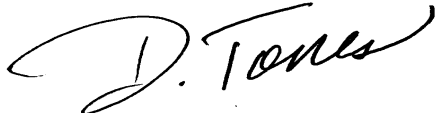
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Suzanne Godin at (619) 686-1918 or at sgodin@etp.ca.gov within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres", with a stylized, cursive script.

Diana Torres, Manager
San Diego Regional Office

A handwritten signature in black ink, appearing to read "SMB", with a stylized, cursive script.

Suzanne Godin, Contract Analyst
San Diego Field Office

cc: Kulbir Mayall, Fiscal Manager
Master File
Project File